

Morning Brief

QUICK SUMMARY OF THE MARKETS LAST SESSION

US equities retreated from intraday record highs on Thursday, with the S&P 500 closing at 7'337 (-0.4%), the Nasdaq at 25'806 (-0.1%), and the Dow Jones at 49'597 (-0.6%), as oil prices rebounded from session lows and traders awaited Iran's formal response to the US-drafted 14-point peace memorandum. Breadth deteriorated sharply beneath the headline: the Russell 2000 fell 1.7% and the S&P 400 MidCap shed 1.3%, reflecting rotation out of domestic cyclicals and rate-sensitive small caps.

European markets closed broadly lower, with the STOXX 600 declining 1.1% to 616, the FTSE 100 off 1.5% to 10'277, and the Swiss SMI down 1.1% to 13'135.

Asian markets eased overnight, with the Nikkei down 0.2% to 62'714, the Hang Seng shedding 0.9% to 26'398, and the Shanghai Composite flat at 4'177.

March core PCE printed at 3.2% year-over-year, the highest since January 2024, alongside unit labor costs exceeding estimates at +2.3%, capping the prior session's bond rally. The US 10-year Treasury ended at 4.38% and the 2-year at 3.86%, a curve of approximately 52 basis points consistent with pricing for a prolonged Fed pause at 3.50-3.75%.

Finally, gold settled at \$4'686 (-0.1%) and WTI crude at \$94.81 (-0.3%), recovering from deeper intraday lows as US-Iran diplomacy stayed unresolved.

WHAT TO WATCH IN THE MARKET TODAY

April non-farm payrolls at 8:30 a.m. ET dominate the session, with consensus near 55'000, a sharp deceleration from March's 178'000 that dollar weakness and curve steepening have partially priced in.

Cybersecurity and enterprise software were two of Thursday's few consistent pockets of strength, and both sectors are worth monitoring today to assess whether that resilience broadens or remains confined to individual earnings reactions.

The US-Iran diplomatic timeline remains the secondary driver: oil's direction today will determine whether the recent inflation-relief in rates holds ahead of next week's CPI.

KEY HIGHLIGHTS YESTERDAY

Datadog surged approximately 28% after Q1 EPS of \$0.60 beat the \$0.51 estimate, with Q2 revenue guidance of \$1.07-\$1.08 billion well above the \$994 million consensus, confirming accelerating enterprise cloud demand. Fortinet gained around 15% on a beat-and-raise quarter, with cybersecurity bookings showing no deceleration in enterprise spend.

McDonald's posted Q1 adjusted EPS of \$2.83 on global same-store sales of +3.8% and US comps of +3.9%, but CEO Chris Kempczinski warned the consumer environment may be getting "a little bit worse" amid elevated fuel costs, with revenue of \$6.52 billion marginally missing the estimate.

Arm Holdings fell approximately 10% despite a Q1 beat, as investors focused on smartphone demand softness flagged for the second half.

MACRO RELEASES TO WATCH TODAY

April non-farm payrolls arrive at 8:30 a.m. ET against a consensus of approximately 55'000, below the 12-month average, with March at 178'000 and ADP's April reading of 109'000 pointing to modest upside risk to the official figure.

The unemployment rate is expected to hold at 4.3% and average hourly earnings at +0.3% month-on-month. A soft print consistent with or below consensus supports the case for at least one Fed cut in 2026, offering relief to long-duration equities, growth factors, and CHF assets; a beat above 100'000 would compound Thursday's core PCE signal and remove near-term easing optionality, pushing the 2-year higher and compressing growth multiples.

MOST IMPORTANT NEWS YESTERDAY

HawkEye 360 priced its NYSE IPO at \$26 per share and traded up approximately 28% intraday, marking the first significant defense-tech listing of 2026 and confirming institutional demand for dual-use AI infrastructure vehicles remains open.

Starbucks completed the sale of a 60% controlling stake in its China retail operations to Boyu Capital at a \$4 billion enterprise valuation, a capital reallocation reducing direct exposure to a softening Chinese consumer while freeing capacity for Western deployment and buybacks.

SEC Chair Paul Atkins formally proposed allowing companies the option to file semi-annual reports under a new Form 10-S, a structural change that would reduce fundamental disclosure frequency and likely increase individual equities' sensitivity to macro-data prints.

BIG CAPS TO FOLLOW TODAY AND WHY

JPMorgan and Goldman Sachs are the most direct barometers of the NFP-rates reaction, both fell sharply Thursday, JPMorgan -2.7% and Goldman -1.2%, making them reactive proxies for financial sector positioning around the 8:30 a.m. print.

Chevron and ExxonMobil carry the oil-direction trade, as confirmed progress on US-Iran ceasefire terms would materially compress second-half energy earnings assumptions.

Datadog and Fortinet will be tested on whether yesterday's earnings moves hold or attract profit-taking early in the session.

AMD, fresh from its mid-week post-earnings surge, offers a read on AI chip sentiment following Thursday's partial consolidation.

IMPORTANT EARNINGS IN THE LAST FEW DAYS

The Q1 season is firmly confirming a split between AI-infrastructure enablers and consumer-facing names. AMD reported revenue of \$10.3 billion (+38% year-over-year) with data center up 57% and Q2 guidance of \$11.2 billion well above consensus; Uber's gross bookings expanded 25% to \$53.7 billion with adjusted EBITDA up 33%; Disney's parks posted \$9.5 billion in revenue (+7%) alongside a streaming beat.

Against these, McDonald's consumer caution and Arm's second-half guidance hedging are reminders that forward visibility is being priced more carefully even in a strong cycle. FactSet places S&P 500 Q1 earnings growth tracking near 28% year-over-year with beat rates above historical norms, supportive of current multiples but rewarding selectivity over index exposure.

MOST IMPORTANT GLOBAL MACRO RELEASES EXPECTED

US April CPI on Tuesday, May 12 is the defining release of the coming week: March printed at +3.3% year-over-year on an energy-driven surge, and while April base effects are modestly favorable, services and shelter persistence means a reading above 3.2% year-over-year would reprice front-end Treasuries and lock in a Fed hold through mid-year. US April PPI follows on Wednesday, May 13, providing the pipeline signal for the Fed's preferred inflation gauge.

The asymmetry is clear: a CPI downside surprise reopens June 16-17 as a live FOMC meeting and supports growth equities, CHF, and gold; an upside print reinforces the higher-for-longer regime and shifts focus to whether hawkish dissents accumulate ahead of the summer. In the UK, April wage and CPI data due mid-month will determine whether the Bank of England's lone hawkish dissent from its April 30 hold at 3.75% finds further support before the June 18 decision, with implications for sterling and gilt positioning.

MARKET DATA

		EQUITY								EQUITY					
		Futures	Last	% 1D	% WTD	% MTD	%YTD			Last	% 1D	% WTD	% MTD	%YTD	
Europe	CAC 40	-0.88%	8 202.08	-1.2%	1.1%	1.1%	0.6%	MSCI WORLD FACTORS	MSCI WORLD	4 740.91	-0.3%	1.4%	1.7%	7.0%	
	DAX 30	-0.93%	24 663.61	-1.0%	1.5%	1.5%	0.7%		GROWTH	7 362.14	0.1%	2.5%	3.3%	6.0%	
	SMI 20	-0.87%	13 135.43	-1.1%	-0.0%	-0.0%	-1.0%		VALUE	4 691.60	-0.7%	0.4%	0.2%	8.0%	
	SPI	-	18 636.58	-1.0%	0.5%	0.5%	2.3%		MOMENTUM	5 389.89	-1.1%	2.6%	2.8%	14.1%	
	FTSE MIB 40	-0.47%	49 291.01	-0.8%	2.2%	2.2%	9.7%		LOW VOL	2 440.24	0.2%	-0.1%	-0.2%	1.6%	
	EUROSTOXX 50	-0.84%	5 972.65	-0.9%	1.5%	1.5%	3.1%		QUALITY	5 029.33	-0.1%	1.4%	1.6%	6.2%	
	DJ STOXX 600	-0.81%	616.42	-1.1%	0.8%	0.8%	4.1%		SIZE	6 798.00	-0.3%	1.0%	1.1%	6.9%	
	FTSE 100	-0.90%	10 276.95	-1.5%	-0.8%	-1.0%	3.5%		HIGH DIV.	1 821.94	-0.5%	-0.5%	-0.8%	5.7%	
America	S&P 500	0.29%	7 337.11	-0.4%	1.5%	1.8%	7.2%	SMALLCAP	743.50	-0.4%	1.5%	1.8%	12.0%		
	NASDAQ COMP	0.48%	25 806.20	-0.1%	2.8%	3.7%	11.0%	MSCI US SECTORS	MSCI USA	6 986.91	-0.4%	1.4%	1.7%	7.0%	
	S&P 500 EW	-	8 242.09	-0.7%	0.3%	0.1%	6.2%		ENERGY	439.71	-1.9%	-4.9%	-6.2%	24.3%	
	S&P 400 MIDCAP	0.27%	3 681.82	-1.3%	1.2%	1.2%	11.4%		MATERIALS	464.72	-1.9%	0.1%	-0.2%	11.3%	
	S&P 600 SMALLCAP	-	1 674.83	-0.9%	0.1%	0.3%	14.1%		INDUSTRIALS	678.61	-1.8%	0.4%	-0.6%	13.0%	
	RUSSELL 2000	0.09%	2 839.63	-1.6%	1.0%	1.4%	14.4%		CONSUMER DISC.	823.02	-0.2%	1.2%	1.8%	2.4%	
							CONSUMER STAPLES		364.03	-0.2%	-0.3%	-0.4%	10.2%		
Asia	NIKKEI 225	-0.46%	62 713.65	-0.2%	5.4%	5.8%	24.6%	HEALTH CARE	465.04	-0.7%	-0.4%	-0.9%	-7.0%		
	HANG SENG H	-	26 394.59	-0.9%	2.4%	2.4%	3.0%	FINANCIALS	283.68	-0.6%	-0.8%	-1.2%	-6.2%		
	SHANGHAI COMP A	-	4 179.95	-0.0%	1.6%	1.6%	5.3%	IT	1 391.04	0.1%	4.2%	5.7%	12.3%		
	SHENZHEN COMP A	-	2 875.75	0.1%	3.6%	3.6%	13.6%	COMM. SERVICES	160.74	0.1%	1.8%	1.8%	11.4%		
EM	BOVESPA	-	183 218.26	-2.4%	-2.2%	-2.2%	13.7%	UTILITIES	268.02	-1.4%	-3.1%	-3.7%	5.5%		
	SENSEX	-	77 844.52	-0.1%	1.2%	1.2%	-8.7%	MSCI EUROPE SECTORS	MSCI EUROPE	205.35	-1.1%	0.8%	0.8%	3.9%	
Indices Total Return	MSCI WORLD 100% H Sfr NTR	-	2 622.54	-0.3%	1.4%	1.7%	7.5%		ENERGY	197.14	-2.5%	-5.6%	-6.3%	26.9%	
	S&P 500 TR	-	16 376.35	-0.4%	1.5%	1.8%	7.6%		MATERIALS	393.30	-0.7%	1.3%	1.3%	12.1%	
	MSCI USA NTR	-	21 139.27	-0.4%	1.5%	1.7%	7.2%		INDUSTRIALS	539.06	-1.9%	2.3%	2.5%	8.7%	
	MSCI EUROPE NTR	-	421.95	-1.1%	0.9%	0.9%	5.2%		CONSUMER DISC.	184.30	0.7%	4.0%	4.1%	-13.5%	
	MSCI EUROPE SMALL NTR	-	689.89	-0.4%	1.8%	2.0%	6.5%		CONSUMER STAPLES	264.09	-1.7%	-0.9%	-0.5%	-2.4%	
	MSCI EM NTR	-	946.01	1.4%	7.7%	7.8%	23.4%		HEALTH CARE	268.01	-1.1%	-0.6%	-1.0%	-4.7%	
	MSCI AC ASIA EX JAPAN NTR	-	954.50	1.8%	8.6%	8.6%	24.8%		FINANCIALS	123.03	-0.7%	0.9%	0.9%	0.8%	
	MSCI EM LATAM NTR	-	865.89	-1.4%	0.1%	0.6%	18.9%		IT	274.77	-0.7%	5.0%	5.4%	23.2%	
									COMM. SERVICES	58.70	-0.4%	0.3%	0.2%	-0.1%	
								UTILITIES	201.09	-1.7%	-3.1%	-3.3%	13.3%		

		FIXED INCOME													
		Yield	Duration	% 1D	% WTD	% MTD	%YTD	Range 1Y	Range 5Y	Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD	
EUR	AGGREGATE 5-7Y	3.43	5.4	0.1%	0.5%	0.5%	0.3%	41	60 41	113	45 bp	-0 bp	-3 bp	-2 bp	+1 bp
	CORP IG 5-7Y	3.89	5.3	0.1%	0.4%	0.5%	0.3%	84	121 84	253	94 bp	-0 bp	-1 bp	-1 bp	+3 bp
	CORP BBB	3.94	4.4	0.1%	0.4%	0.4%	0.3%	84	126 84	277	95 bp	-0 bp	-1 bp	-0 bp	+5 bp
	CORP HIGH YIELD	5.85	2.9	0.1%	0.5%	0.5%	0.8%	249	350 249	668	275 bp	-2 bp	-6 bp	-7 bp	+11 bp
USD	AGGREGATE 5-7Y	4.62	4.9	-0.2%	0.0%	0.1%	0.1%	23	40 18	67	25 bp	+0 bp	+0 bp	+0 bp	-3 bp
	CORP IG 5-7Y	4.80	4.1	-0.2%	0.1%	0.1%	0.4%	62	93 57	155	70 bp	+0 bp	-2 bp	-1 bp	+0 bp
	CORP BBB	5.32	6.6	-0.3%	0.2%	0.3%	0.4%	91	129 91	198	97 bp	+0 bp	-2 bp	-1 bp	-2 bp
	CORP HIGH YIELD	6.94	2.8	-0.1%	0.0%	0.2%	1.3%	247	358 247	588	262 bp	+2 bp	+0 bp	-8 bp	-6 bp
	EM AGG. 5-7Y	6.03	4.7	-0.0%	0.3%	0.5%	1.6%	186	277 186	463	197 bp	-4 bp	-7 bp	-8 bp	-3 bp
Sovereign	US	3.80													
	Germany	2.32		4.06	4.42	+4 bp	+23 bp								
	Switzerland	0.01		2.69	3.02	-1 bp	+13 bp								
	Italy	2.45		0.22	0.39	-0 bp	+5 bp								
CDS	CDX \$ IG 3Y SPRD			3.80	4.06	+4 bp	+23 bp			33 bp	+1 bp	-0 bp	-1 bp	+4 bp	
	CDX \$ HY 5Y SPRD			2.32	2.69	-1 bp	+13 bp			328 bp	+6 bp	-0 bp	-2 bp	+11 bp	
	ITRAXX € IG 3Y SPRD			0.01	0.22	-0 bp	+5 bp			32 bp	+1 bp	-1 bp	-3 bp	+5 bp	
	ITRAXX € HY 3Y SPRD			2.45	3.11	-3 bp	+20 bp			195 bp	+3 bp	-5 bp	-13 bp	+25 bp	

		FOREX, VOLATILITY & PHYSICAL ASSETS								FOREX, VOLATILITY & PHYSICAL ASSETS					
		Last	% 1D	% WTD	% MTD	%YTD			Last	% 1D	% WTD	% MTD	%YTD		
FX	EUR/USD	1.1726	-0.2%	0.0%	-0.0%	-0.2%	Physical Assets	GOLD	4 685.80	-0.1%	1.6%	1.5%	8.5%		
	EUR/CHF	0.9150	0.0%		-0.2%	-1.7%		SILVER	78.46	1.4%	4.1%	6.4%	9.5%		
	USD/CHF	0.7802	0.2%	-0.2%	-0.2%	-1.6%		COPPER	13 326.00	-0.2%	3.3%	2.4%	6.6%		
	USD/JPY	156.93	0.3%	-0.1%	0.2%	0.1%		ALUMINIUM	3 541.95	-0.9%	-1.2%	0.3%	19.3%		
	USD/GBP	0.7378	0.3%	0.2%	0.4%	-0.6%		IRON	102.87				-1.0%		
	USD/CNY	6.804	-0.1%	-0.4%	-0.4%	-2.6%		WHEAT	601.75	-0.7%	-3.6%	-3.5%	18.7%		
	USD/RUB	74.63	-0.1%	-0.4%	-0.6%	-5.2%		CORN	452.75	-0.7%	-3.3%	-2.6%	2.8%		
	BTC/USD	79 867.01	-1.9%	2.6%	4.4%	-8.9%		CRUDE OIL (WTI)	94.81	-0.3%	-7.0%	-9.8%	66.3%		
Vol	S&P500 VOL (VIX)	17.08	-1.8%	0.5%	1.1%	14.2%	BRENT	100.06	-1.2%	-7.5%	-9.4%	66.2%			
	ICE BOFAML MOVE INDEX	72.24	2.3%	2.6%	0.2%	12.9%	DUTCH TTF NATURAL GA	43.56	-0.8%	-4.8%	-5.3%	54.7%			
							SWISS RES. REAL ESTATE	3 321.97	0.1%	-2.0%	-2.0%	0.3%			

Closing as of Thursday May 7, 2026, futures as of Friday May 8, 2026 09:44

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